

SERFF Tracking Number: CFAP-125359653 State: District of Columbia
 Filing Company: Group Hospitalization and Medical Services, Inc. State Tracking Number:
 Company Tracking Number: 0995
 TOI: H06 Health - Conversion Sub-TOI: H06.000 Health - Conversion
 Product Name: GHMSI Filing #995 DC PPO Group Conversion
 Project Name/Number: DC PPO GC 200804 eff/995

Filing at a Glance

Company: Group Hospitalization and Medical Services, Inc.

Product Name: GHMSI Filing #995 DC PPO SERFF Tr Num: CFAP-125359653 State: District of Columbia
 Group Conversion

TOI: H06 Health - Conversion

SERFF Status: Closed-APPROVED State Tr Num:

Sub-TOI: H06.000 Health - Conversion

Co Tr Num: 0995

State Status:

Filing Type: Rate

Reviewer(s): Laszlo Pentek

Authors: Anna Guloy, Todd Switzer, Disposition Date: 12/18/2007

David Mok, Katheryn Barron

Date Submitted: 11/16/2007

Disposition Status: APPROVED

Implementation Date Requested: 04/01/2008

Implementation Date:

General Information

Project Name: DC PPO GC 200804 eff

Status of Filing in Domicile:

Project Number: 995

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 12/18/2007

Explanation for Other Group Market Type:

State Status Changed:

Deemer Date:

Created By: Katheryn Barron

Submitted By: Katheryn Barron

Corresponding Filing Tracking Number:

Filing Description:

This filing contains the rate proposal for Group Hospitalization and Medical Services, Inc. dba CareFirst BlueCross BlueShield's individual, non-Medigap, PPO Group Conversion medical and prescription drug coverage, with an effective date of April 1, 2008. Please refer to the Cover Letter/Filing Description (Supporting Documentation) and Actuarial Memorandum (Rate/Rule Schedule) for more details.

Company and Contact

Filing Contact Information

Katheryn Barron, Actuarial Assistant
 10455 Mill Run Circle

katheryn.barron@carefirst.com
 410-998-5716 [Phone]

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Owings Mills, MD 21117 410-720-5946 [FAX]

Filing Company Information

Group Hospitalization and Medical Services, CoCode: 53007 State of Domicile: District of
Inc. Columbia
840 First Street NE Group Code: Company Type: Hospital, Medical &
Washington, DC 20065 Group Name: Dental Service or Indemnity
(410) 581-3000 ext. [Phone] FEIN Number: 53-0078070
State ID Number:

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

SERFF Tracking Number: CFAP-125359653 State: District of Columbia

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Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action: Action:*	Rate Action Information:	Attachments
APPROVE D 12/18/2007	PPO GC Actuarial Memorandum	DC/DP-IEA 9/95, New PPP-A/DC-4/96, D-CMM/MM ATTB/DB-4/96, DC/CF/DB/ELIG CONV (R.2/06), DC/NCA/RX- DRUG 7/97, DC/NCA/RX- DRUG/SOB 7/97, DC/CF/IND RX3 (1/03)			PPO GC Actuarial Memorandum.pdf

**GHMSI dba
CAREFIRST BLUECROSS BLUESHIELD
INDIVIDUAL, NON-MEDIGAP BUSINESS**

DISTRICT OF COLUMBIA

**RATE FILING # 995
PPO/BLEU PREFERRED GROUP CONVERSION
RATE FILING
EFFECTIVE 4/1/08**

GHMSI dba CareFirst BlueCross BlueShield
DISTRICT OF COLUMBIA
INDIVIDUAL, NON-MEDIGAP BUSINESS
DERIVATION OF DESIRED LOSS RATIO (DLR)
YEAR 2008 PROJECTION

Income = Proj Clms + Capitations + Admin Costs + Assessment Fees & Taxes
+ Broker Commissions + Contrib to Reserve - Investmt Income Credit

	% of <u>Revenue</u>
Projected Claims + Capitations	79.7%
Admin Costs	12.4%
Broker Commissions	2.3%
Contrib to Reserve	3.2%
Invst Income Credit	-0.2%
Premium Taxes	1.7%
Assessment Fees	0.1%
Federal Taxes	0.8%
SUM	100.0%

DLR = Projected Claims/Income =	79.7%
Implicit Retention = 1 - DLR =	20.3%
SUM:	100.0%

GHMSI dba
CareFirst BlueCross BlueShield
Individual, Non-Medigap Business

Pricing Analysis
Experience Period: Incurred from 06/01/06 to 05/31/07, Paid thru 07/31/07

PPO/BLEUPREFERRED GROUP CONVERSION

Experience Period: Start 6/1/2006
Incurred thru 5/31/2007
Paid thru 7/31/2007
Midpt 11/30/2006

Projected Period: Start 4/1/2008
Thru 3/31/2009
Midpt 9/30/2008
Trend Mos 28

Target L/R = 79.7%

Experience Period <u>Con-Mos</u>	Contracts <u>7/31/2007</u>	Ult Claims adj for + Capitations + Access Fee <u>+Subrogation</u>	Income <u>+Finance Adj</u>	Loss <u>Ratio</u>	Trend <u>Assumption</u>	Trend Factor <u>28 mos.</u>	Projected Claims (Includes <u>Captitations</u>)	Required <u>Income</u>	Income Adjustment <u>Factors</u>	Income at 01/07 <u>Renewal Level</u>	Loss Ratio w/o a Rate Increase: ESI at 01/07 <u>Renewal Level</u>	Needed Rate Increase 04/01/08 <u>s 01/01/07</u>	Proposed Rate Increase Eff <u>04/01/08</u>	Proposed vs Needed <u>Differential</u>	
<u>Medical Experience</u>															
PPO (BluePreferred)															
Group Conversion															
DC	3,005	197	\$1,609,072	\$2,047,452	78.6%	10.0%	1.2491	\$2,009,826	\$2,522,677	1.0000	\$2,047,452	98.2%	23.2%	21.1%	(\$43,567)

**GHMSI dba CareFirst BlueCross BlueShield
INDIVIDUAL, NON-MEDIGAP BUSINESS**

**DC PPO Group Conversion
MEDICAL & RX COVERAGE**

CURRENT MEDICAL TIER FACTORS

<u>Tier Factors</u>			
<u>Individual</u>	<u>Individual & Child(ren)</u>	<u>Individual & Adult</u>	<u>Family</u>
1.0	1.5	1.9	3.0

CURRENT RX TIER FACTORS (OPEN & CLOSED)

<u>Tier Factors</u>			
<u>Individual</u>	<u>Individual & Child(ren)</u>	<u>Individual & Adult</u>	<u>Family</u>
1.0	1.6	2.0	3.0

PROPOSED MEDICAL & RX TIER FACTORS (eff 4/1/08)

<u>Tier Factors</u>			
<u>Individual</u>	<u>Individual & Child(ren)</u>	<u>Individual & Adult</u>	<u>Family</u>
1.0	1.6	2.0	2.9

GHMSI dba CAREFIRST BLUECROSS BLUESHIELD

INDIVIDUAL, NON-MEDIGAP BUSINESS

PPO Group Conversion

LOSS RATIO BY CONTRACT-TYPE

EXPERIENCE PERIOD: June 1, 2006 Incurred Thru May 31, 2007, Paid Thru July 31, 2007

Sources: MicroStrategy GC, OE Mem & Prem by Tier; NCA Mainframe - 6ZPDPTIERG; YingPgm

STATE	PRODUCT	CONTRACT TYPE	Total Cons a/o 7/31/07	% DIST	Contract Months	Member Months	INCURRED CLAIMS			INCOME			LOSS RATIO			REVENUE	Ratio To	CLAIMS	Ratio To	Current Factors	
							HEALTH	DRUG	TOTAL	HLINC	DRINC	TOTINC	HEALTH	DRUG	TOTAL	PCPM	Indiv	PCPM	Indiv	HEALTH	DRUG
							0.950	1.000													
DC	PPO GC	INDIVIDUAL	177	89.8%	2,665	2,766	\$1,360,076	\$219,101	\$1,579,177	\$1,588,428	\$320,485	\$1,908,913	85.6%	68.4%	82.7%	\$716.29	1.00	\$592.56	1.00	1.00	1.00
DC	PPO GC	TW_CH(REN)	-	0.0%	85	203	\$13,646	\$4,668	\$18,314	\$61,785	\$13,534	\$75,319	22.1%	34.5%	24.3%	\$886.11	1.24	\$215.46	0.36	1.50	1.60
DC	PPO GC	TWP_SP	9	4.6%	101	210	\$92,733	\$9,390	\$102,123	\$133,162	\$27,574	\$160,736	69.6%	34.1%	63.5%	\$1,591.45	2.22	\$1,011.12	1.71	1.90	2.00
DC	PPO GC	FAMILY	11	5.6%	154	516	\$133,693	\$14,012	\$147,705	\$264,078	\$52,289	\$316,367	50.6%	26.8%	46.7%	\$2,054.33	2.87	\$959.12	1.62	3.00	3.00
			197	100.0%	3,005	3,695	\$1,600,148	\$247,172	\$1,847,319	\$2,047,452	\$413,882	\$2,461,334	78.2%	59.7%	75.1%	\$819.08		\$614.75			

Proposal to change tier factors, make Rx & Medical factors equal

MEDICAL ONLY - DC

Contract-type	Cons a/o 7/31/07	% Dist	Revenue	Current Medical Tier Factors	Proposal	Revenue with Current Factors	Revenue with Proposed Factors	Rate Impact by Contract- type
INDIVIDUAL	177	89.8%	\$1,588,428	1.00	1.00	\$1,588,428	\$1,588,428	0.0%
TW_CH(REN)	0	0.0%	\$61,785	1.50	1.60	\$92,677	\$98,856	6.7%
TWP_SP	9	4.6%	\$133,162	1.90	2.00	\$253,007	\$266,323	5.3%
FAMILY	11	5.6%	\$264,078	3.00	2.90	\$792,234	\$765,826	-3.3%
	197	100.0%	\$2,047,452			\$2,726,346	\$2,719,433	
***Revenue Shortage due to Tier Factor Change				(\$6,913)				
***Revenue Neutrality Due to Change				0.3% ---> Percentage to adjust Medical Base Rates				

*** Factor needed to adjust Medical Base Rates BUT WILL NOT AND WILL ABSORB LOSS INSTEAD.

OPEN RX ONLY - DC

Contract-type	Open Rx Cons a/o 7/31/07	% Dist	Revenue	Current Open Rx Tier Factors	Proposal	Revenue with Current Factors	Revenue with Proposed Factors	Rate Impact by Contract- type
INDIVIDUAL	90	87.4%	\$114,767	1.00	1.00	\$114,767	\$114,767	0.0%
TW_CH(REN)	0	0.0%	\$3,769	1.60	1.60	\$6,031	\$6,031	0.0%
TWP_SP	7	6.8%	\$15,294	2.00	2.00	\$30,588	\$30,588	0.0%
FAMILY	6	5.8%	\$28,566	3.00	2.90	\$85,697	\$82,841	-3.3%
	103	100.0%	\$162,395			\$237,082	\$234,226	
***Revenue Shortage due to Tier Factor Change				(\$2,857)				
***Revenue Neutrality Due to Change				1.2% ----> Percentage to adjust Rx Base Rates				

*** Factor needed to adjust Open Rx Base Rates BUT WILL NOT AND WILL ABSORB LOSS INSTEAD.

CLOSED RX ONLY - DC

Contract-type	Closed Rx Cons a/o 7/31/07	% Dist	Revenue	Current Closed Rx Tier Factors	Proposal	Revenue with Current Factors	Revenue with Proposed Factors	Rate Impact by Contract- type
INDIVIDUAL	87	92.6%	\$206,333	1.00	1.00	\$206,333	\$206,333	0.0%
TW_CH(REN)	0	0.0%	\$7,006	1.60	1.60	\$11,210	\$11,210	0.0%
TWP_SP	2	2.1%	\$11,125	2.00	2.00	\$22,249	\$22,249	0.0%
FAMILY	5	5.3%	\$27,023	3.00	2.90	\$81,069	\$78,367	-3.3%
	94	100.0%	\$251,487			\$320,861	\$318,159	
***Revenue Shortage due to Tier Factor Change				(\$2,702)				
***Revenue Neutrality Due to Change				0.8% ----> Percentage to adjust Rx Base Rates				

*** Factor needed to adjust Closed Rx Base Rates BUT WILL NOT AND WILL ABSORB LOSS INSTEAD.

CAREFIRST BLUECROSS BLUESHIELD
Individual Non-Medigap Business

2008 Group Subsidization (Estimated)

% of Subsidy Determined: 0.10%

Small Group Revenue	DC
CFMI	
GHMSI	\$196,570,504
BlueChoice	\$88,612,507
Total	\$285,183,011

Large Group Revenue	DC
CFMI	
GHMSI	\$118,793,000
BlueChoice	\$65,100,000
Total	\$183,893,000

Total Subsidy Available	DC
CFMI	
GHMSI	\$315,364
BlueChoice	\$153,713
Total	\$469,076

Ind 64- Needed Subsidy - GC	DC
CFMI	
GHMSI (BP Only)	\$0
BlueChoice	(\$501,654)
Total	(\$501,654)
% of Grp Revenue	-0.11%

Ind 64- GC "Balance"	DC
CFMI	
GHMSI (BP Only)	\$315,364
BlueChoice	(\$347,942)
Total	(\$32,578)

GHMSI dba
CareFirst BlueCross BlueShield
INDIVIDUAL, NON-MEDIGAP BUSINESS
PPO / BluePreferred Group Conversion
District of Columbia

Medical Rate Increase History

Effective	BASE MONTHLY Individual Rate	Rate Increase (%)	Rate Increase (\$) from Prior Date
10/1/95 (Inception)	\$234.08		
01/01/00	\$260.30	11.2%	\$26.22
01/01/01	\$280.48	7.8%	\$20.18
01/01/02	\$280.48	0.0%	\$0.00
01/01/04	\$356.21	27.0%	\$75.73
01/01/05	\$480.88	35.0%	\$124.67
Proposed 04/01/08	\$582.35	21.1%	\$101.47

Benefits = \$750/\$1,500 Deductible
80%/60% Coinsurance
\$3,500/\$7,000 Out-of-Pocket Maximum

GHMSI dba
CareFirst BlueCross BlueShield
DC BluePreferred GC
Medical Experience Data

Experience Through May 31, 2007, Paid Through July 31, 2007

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Yr-Mo	Contracts	Members	Medical Income	Medical Incurred & Pd Claims	Medical Incurred Claims	LOSS RATIO	R12 Loss Ratio	R12 Claims PMPM	R12 CLAIMS TREND	R3 CLAIMS PMPM	R3 CLAIMS TREND	R6 CLAIMS PMPM	R6 CLAIMS TREND	R12 PREMIUM PMPM	R12 PREMIUM CHANGE
0501	385	474	\$202,900	\$194,562	\$194,562	95.9%	104.1%	\$397.84	13.9%	\$614.74	109.1%	\$473.30	53.6%	\$382.20	20.5%
0502	411	520	\$224,710	\$178,606	\$178,606	79.5%	104.5%	\$409.59	14.5%	\$622.08	123.5%	\$476.59	58.0%	\$391.97	23.3%
0503	358	414	\$187,701	\$183,945	\$183,945	98.0%	102.0%	\$408.29	8.4%	\$395.68	29.8%	\$504.08	61.7%	\$400.23	25.1%
0504	401	502	\$234,193	\$148,944	\$148,944	63.6%	98.8%	\$405.58	10.0%	\$356.19	7.9%	\$483.36	55.0%	\$410.59	27.4%
0505	354	440	\$212,719	\$106,925	\$106,925	50.3%	94.7%	\$398.83	17.1%	\$324.35	-13.2%	\$475.48	46.4%	\$421.03	29.5%
0506	368	449	\$221,051	\$144,525	\$144,525	65.4%	92.2%	\$395.66	21.8%	\$287.85	-16.3%	\$342.09	5.6%	\$429.08	30.5%
0507	376	464	\$228,552	\$136,553	\$136,553	59.7%	91.2%	\$399.56	26.5%	\$286.77	-9.7%	\$322.52	-0.5%	\$438.10	30.4%
0508	324	386	\$194,124	\$171,303	\$171,475	88.3%	91.9%	\$410.06	27.8%	\$348.39	13.2%	\$336.11	-1.7%	\$446.29	30.2%
0509	344	408	\$219,068	\$127,136	\$127,263	58.1%	90.3%	\$413.14	31.6%	\$346.02	19.6%	\$315.47	-0.3%	\$457.41	30.6%
0510	349	418	\$224,230	\$148,168	\$148,316	66.1%	87.0%	\$408.28	27.1%	\$368.86	7.1%	\$325.56	-1.7%	\$469.30	31.5%
0511	328	413	\$229,733	\$122,347	\$122,469	53.3%	84.5%	\$408.18	25.1%	\$321.27	-7.0%	\$335.15	2.3%	\$482.80	32.4%
0512	328	398	\$228,106	\$57,728	\$57,786	25.3%	66.0%	\$325.65	-15.3%	\$267.35	-56.2%	\$307.14	-31.3%	\$493.21	32.0%
0601	321	392	\$223,089	\$130,059	\$130,189	58.4%	63.1%	\$318.41	-20.0%	\$258.06	-58.0%	\$313.66	-33.7%	\$504.86	32.1%
0602	268	315	\$180,768	\$72,312	\$72,457	40.1%	60.0%	\$310.23	-24.3%	\$235.69	-62.1%	\$280.92	-41.1%	\$516.77	31.8%
0603	290	356	\$187,859	\$133,906	\$134,309	71.5%	58.1%	\$303.83	-25.6%	\$316.99	-19.9%	\$290.37	-42.4%	\$522.87	30.6%
0604	288	353	\$197,590	\$100,411	\$100,713	51.0%	57.0%	\$303.21	-25.2%	\$300.27	-15.7%	\$277.47	-42.6%	\$531.49	29.4%
0605	305	374	\$204,274	\$135,010	\$135,825	66.5%	58.4%	\$313.56	-21.4%	\$342.43	5.6%	\$288.52	-39.3%	\$537.12	27.6%
0606	278	339	\$185,844	\$121,494	\$122,474	65.9%	58.3%	\$316.25	-20.1%	\$336.78	17.0%	\$326.90	-4.4%	\$542.30	26.4%
0607	265	320	\$176,275	\$148,502	\$149,850	85.0%	60.1%	\$329.41	-17.6%	\$395.11	37.8%	\$347.90	7.9%	\$548.07	25.1%
0608	266	333	\$176,838	\$326,814	\$330,449	186.9%	67.1%	\$369.34	-9.9%	\$607.63	74.4%	\$469.22	39.6%	\$550.73	23.4%
0609	255	309	\$173,231	\$171,527	\$173,787	100.3%	70.3%	\$388.57	-5.9%	\$679.92	96.5%	\$499.56	58.4%	\$552.74	20.8%
0610	239	301	\$169,820	\$104,254	\$106,273	62.6%	70.1%	\$389.38	-4.6%	\$647.41	75.5%	\$515.52	58.3%	\$555.18	18.3%
0611	251	308	\$172,013	\$179,341	\$184,507	107.3%	74.6%	\$414.50	1.5%	\$506.06	57.5%	\$558.82	66.7%	\$555.32	15.0%
0612	237	297	\$165,976	\$156,850	\$162,371	97.8%	81.5%	\$451.14	38.5%	\$500.17	87.1%	\$592.74	93.0%	\$553.81	12.3%
0701	281	339	\$181,190	\$86,460	\$91,493	50.5%	81.3%	\$447.39	40.5%	\$464.38	79.9%	\$555.84	77.2%	\$550.63	9.1%
0702	226	282	\$158,789	\$67,464	\$72,154	45.4%	82.1%	\$451.09	45.4%	\$355.14	50.7%	\$430.60	53.3%	\$549.65	6.4%
0703	234	285	\$158,312	\$62,273	\$67,468	42.6%	80.1%	\$442.02	45.5%	\$255.09	-19.5%	\$377.63	30.1%	\$552.12	5.6%
0704	222	278	\$160,062	\$68,886	\$76,201	47.6%	80.3%	\$444.32	46.5%	\$255.41	-14.9%	\$365.68	31.8%	\$553.15	4.1%
0705	251	304	\$169,101	\$52,770	\$63,122	37.3%	78.2%	\$433.06	38.1%	\$238.51	-30.3%	\$298.49	3.5%	\$554.11	3.2%
1Q05	1,154	1,408	\$615,311	\$557,113	\$557,113	90.5%									
2Q05	1,123	1,391	\$667,963	\$400,393	\$400,393	59.9%									
3Q05	1,044	1,258	\$641,744	\$434,991	\$435,290	67.8%									
4Q05	1,005	1,229	\$682,069	\$328,243	\$328,571	48.2%									
2005	4,326	5,286	\$2,607,087	\$1,720,741	\$1,721,368	66.0%									
1Q06	879	1,063	\$591,716	\$336,278	\$336,956	56.9%									
2Q06	871	1,066	\$587,707	\$356,915	\$359,012	61.1%									
3Q06	786	962	\$526,345	\$646,843	\$654,086	124.3%									
4Q06	727	906	\$507,809	\$440,444	\$453,150	89.2%									
2006	3,263	3,997	\$2,213,577	\$1,780,481	\$1,803,204	81.5%									
1Q07	741	906	\$498,292	\$216,197	\$231,115	46.4%									
2Q07	473	582	\$329,162	\$121,656	\$139,323	42.3%									
YTD 2007	1,214	1,488	\$827,454	\$337,853	\$370,437	44.8%									
Total:	36,077	42,767	\$16,251,086	\$12,716,732	\$14,215,877	87.5%									

GHMSI dba
CareFirst BlueCross BlueShield
Individual, Non-Medigap Business
PPO/BluePreferred Group Conversion
DC
Medical and Rx Comparison (Closed)

Age	Eff. 01/01/2005				Proposed Eff. 04/01/2008				Monthly Dollar Change				Monthly Percentage Change			
	Individual	Individual & Child(ren)	Individual & Adult	Family	Individual	Individual & Child(ren)	Individual & Adult	Family	Individual	Individual & Child(ren)	Individual & Adult	Family	Individual	Individual & Child(ren)	Individual & Adult	Family
<21	\$353	\$535	\$676	\$1,057	\$413	\$661	\$827	\$1,198	\$60	\$126	\$151	\$141	17.0%	23.6%	22.3%	13.3%
21	\$358	\$546	\$688	\$1,075	\$420	\$675	\$840	\$1,219	\$62	\$129	\$152	\$144	17.3%	23.6%	22.1%	13.4%
22	\$364	\$552	\$699	\$1,092	\$427	\$682	\$854	\$1,239	\$63	\$130	\$155	\$147	17.3%	23.6%	22.2%	13.5%
23	\$376	\$570	\$723	\$1,127	\$441	\$702	\$881	\$1,281	\$65	\$132	\$158	\$154	17.3%	23.2%	21.9%	13.7%
24	\$382	\$582	\$734	\$1,145	\$448	\$717	\$895	\$1,302	\$66	\$135	\$161	\$157	17.3%	23.2%	21.9%	13.7%
25	\$387	\$589	\$741	\$1,162	\$454	\$730	\$909	\$1,315	\$67	\$141	\$168	\$153	17.3%	23.9%	22.7%	13.2%
26	\$399	\$607	\$765	\$1,198	\$468	\$751	\$937	\$1,356	\$69	\$144	\$172	\$158	17.3%	23.7%	22.5%	13.2%
27	\$405	\$617	\$777	\$1,215	\$475	\$758	\$951	\$1,378	\$70	\$141	\$174	\$163	17.3%	22.9%	22.4%	13.4%
28	\$411	\$624	\$789	\$1,233	\$482	\$771	\$964	\$1,398	\$71	\$147	\$175	\$165	17.3%	23.6%	22.2%	13.4%
29	\$423	\$641	\$812	\$1,269	\$496	\$792	\$992	\$1,439	\$73	\$151	\$180	\$170	17.3%	23.6%	22.2%	13.4%
30	\$429	\$653	\$823	\$1,286	\$503	\$805	\$1,005	\$1,460	\$74	\$152	\$182	\$174	17.2%	23.3%	22.1%	13.5%
31	\$441	\$671	\$847	\$1,321	\$517	\$827	\$1,033	\$1,502	\$76	\$156	\$186	\$181	17.2%	23.2%	22.0%	13.7%
32	\$446	\$678	\$854	\$1,338	\$524	\$840	\$1,047	\$1,515	\$78	\$162	\$193	\$177	17.5%	23.9%	22.6%	13.2%
33	\$458	\$696	\$878	\$1,374	\$537	\$861	\$1,074	\$1,556	\$79	\$165	\$196	\$182	17.2%	23.7%	22.3%	13.2%
34	\$464	\$706	\$889	\$1,392	\$544	\$868	\$1,088	\$1,577	\$80	\$162	\$199	\$185	17.2%	22.9%	22.4%	13.3%
35	\$476	\$725	\$913	\$1,427	\$558	\$895	\$1,115	\$1,619	\$82	\$170	\$202	\$192	17.2%	23.4%	22.1%	13.5%
36	\$481	\$730	\$924	\$1,444	\$565	\$902	\$1,129	\$1,639	\$84	\$172	\$205	\$195	17.5%	23.6%	22.2%	13.5%
37	\$493	\$748	\$948	\$1,480	\$578	\$922	\$1,157	\$1,680	\$85	\$174	\$209	\$200	17.2%	23.3%	22.0%	13.5%
38	\$505	\$767	\$967	\$1,515	\$592	\$951	\$1,185	\$1,715	\$87	\$184	\$218	\$200	17.2%	24.0%	22.5%	13.2%
39	\$510	\$778	\$978	\$1,532	\$599	\$957	\$1,198	\$1,736	\$89	\$179	\$220	\$204	17.5%	23.0%	22.5%	13.3%
40	\$523	\$795	\$1,002	\$1,568	\$613	\$978	\$1,226	\$1,776	\$90	\$183	\$224	\$208	17.2%	23.0%	22.4%	13.3%
41	\$546	\$831	\$1,049	\$1,639	\$641	\$1,026	\$1,281	\$1,859	\$95	\$195	\$232	\$220	17.4%	23.5%	22.1%	13.4%
42	\$575	\$874	\$1,102	\$1,726	\$675	\$1,081	\$1,349	\$1,956	\$100	\$207	\$247	\$230	17.4%	23.7%	22.4%	13.3%
43	\$599	\$909	\$1,150	\$1,797	\$702	\$1,122	\$1,405	\$2,039	\$103	\$213	\$255	\$242	17.2%	23.4%	22.2%	13.5%
44	\$629	\$956	\$1,203	\$1,885	\$737	\$1,178	\$1,473	\$2,134	\$108	\$222	\$270	\$249	17.2%	23.2%	22.4%	13.2%
45	\$658	\$998	\$1,262	\$1,973	\$771	\$1,232	\$1,542	\$2,238	\$113	\$234	\$280	\$265	17.2%	23.4%	22.2%	13.4%
46	\$687	\$1,045	\$1,317	\$2,061	\$805	\$1,288	\$1,612	\$2,334	\$118	\$243	\$295	\$273	17.2%	23.3%	22.4%	13.2%
47	\$717	\$1,087	\$1,375	\$2,149	\$840	\$1,343	\$1,680	\$2,438	\$123	\$256	\$305	\$289	17.2%	23.6%	22.2%	13.4%
48	\$752	\$1,141	\$1,441	\$2,255	\$881	\$1,412	\$1,763	\$2,555	\$129	\$271	\$322	\$300	17.2%	23.8%	22.3%	13.3%
49	\$786	\$1,194	\$1,511	\$2,360	\$922	\$1,473	\$1,846	\$2,678	\$136	\$279	\$335	\$318	17.3%	23.4%	22.2%	13.5%
50	\$822	\$1,248	\$1,577	\$2,466	\$964	\$1,542	\$1,929	\$2,796	\$142	\$294	\$352	\$330	17.3%	23.6%	22.3%	13.4%
51	\$857	\$1,302	\$1,642	\$2,572	\$1,005	\$1,612	\$2,010	\$2,913	\$148	\$310	\$368	\$341	17.3%	23.8%	22.4%	13.3%
52	\$899	\$1,366	\$1,724	\$2,695	\$1,054	\$1,687	\$2,107	\$3,058	\$155	\$321	\$383	\$363	17.2%	23.5%	22.2%	13.5%
53	\$939	\$1,426	\$1,802	\$2,818	\$1,102	\$1,763	\$2,204	\$3,195	\$163	\$337	\$402	\$377	17.4%	23.6%	22.3%	13.4%
54	\$981	\$1,491	\$1,879	\$2,942	\$1,151	\$1,839	\$2,300	\$3,333	\$170	\$348	\$421	\$391	17.3%	23.3%	22.4%	13.3%
55	\$1,028	\$1,563	\$1,973	\$3,083	\$1,205	\$1,929	\$2,410	\$3,498	\$177	\$366	\$437	\$415	17.2%	23.4%	22.1%	13.5%
56	\$1,075	\$1,633	\$2,062	\$3,224	\$1,261	\$2,017	\$2,520	\$3,656	\$186	\$384	\$458	\$432	17.3%	23.5%	22.2%	13.4%
57	\$1,127	\$1,711	\$2,163	\$3,382	\$1,322	\$2,114	\$2,644	\$3,836	\$195	\$403	\$481	\$454	17.3%	23.6%	22.2%	13.4%
58	\$1,175	\$1,783	\$2,252	\$3,523	\$1,378	\$2,204	\$2,754	\$3,994	\$203	\$421	\$502	\$471	17.3%	23.6%	22.3%	13.4%
59	\$1,233	\$1,872	\$2,365	\$3,700	\$1,446	\$2,314	\$2,892	\$4,194	\$213	\$442	\$527	\$494	17.3%	23.6%	22.3%	13.4%
60	\$1,286	\$1,954	\$2,466	\$3,857	\$1,508	\$2,410	\$3,017	\$4,373	\$222	\$456	\$551	\$516	17.3%	23.3%	22.3%	13.4%
61	\$1,344	\$2,043	\$2,579	\$4,034	\$1,577	\$2,520	\$3,154	\$4,573	\$233	\$477	\$575	\$539	17.3%	23.3%	22.3%	13.4%
62	\$1,409	\$2,139	\$2,703	\$4,227	\$1,653	\$2,644	\$3,305	\$4,793	\$244	\$505	\$602	\$566	17.3%	23.6%	22.3%	13.4%
63	\$1,474	\$2,240	\$2,828	\$4,421	\$1,729	\$2,768	\$3,457	\$5,014	\$255	\$528	\$629	\$593	17.3%	23.6%	22.2%	13.4%
64	\$1,538	\$2,335	\$2,952	\$4,615	\$1,804	\$2,885	\$3,609	\$5,234	\$266	\$550	\$657	\$619	17.3%	23.6%	22.3%	13.4%
65	\$1,609	\$2,442	\$3,087	\$4,827	\$1,887	\$3,017	\$3,773	\$5,475	\$278	\$575	\$686	\$648	17.3%	23.5%	22.2%	13.4%
65+	\$1,685	\$2,561	\$3,231	\$5,055	\$1,976	\$3,161	\$3,953	\$5,729	\$291	\$600	\$722	\$674	17.3%	23.4%	22.3%	13.3%

GHMSI dba
CareFirst BlueCross BlueShield
Individual, Non-Medigap Business
PPO/BluePreferred Group Conversion
DC
Medical and Drug Rates Comparison (3Tiers)

Age	Eff. 01/01/2005				Proposed Eff. 04/01/2008				Monthly Dollar Change				Monthly Percentage Change			
	Individual	Individual & Child(ren)	Individual & Adult	Family	Individual	Individual & Child(ren)	Individual & Adult	Family	Individual	Individual & Child(ren)	Individual & Adult	Family	Individual	Individual & Child(ren)	Individual & Adult	Family
1-5	\$261				\$314				\$53				20.3%			
6-17	\$233	\$356	\$447	\$699	\$280	\$450	\$559	\$811	\$47	\$94	\$112	\$112	20.2%	26.4%	25.1%	16.0%
18-20	\$342	\$517	\$654	\$1,024	\$409	\$654	\$818	\$1,186	\$67	\$137	\$164	\$162	19.6%	26.5%	25.1%	15.8%
21	\$347	\$528	\$665	\$1,041	\$416	\$668	\$831	\$1,207	\$69	\$140	\$166	\$166	19.9%	26.5%	25.0%	15.9%
22	\$353	\$534	\$676	\$1,058	\$423	\$675	\$845	\$1,227	\$70	\$141	\$169	\$169	19.8%	26.4%	25.0%	16.0%
23	\$364	\$552	\$700	\$1,092	\$437	\$695	\$872	\$1,268	\$73	\$143	\$172	\$176	20.1%	25.9%	24.6%	16.1%
24	\$370	\$562	\$710	\$1,109	\$444	\$709	\$886	\$1,289	\$74	\$147	\$176	\$180	20.0%	26.2%	24.8%	16.2%
25	\$375	\$569	\$717	\$1,126	\$450	\$722	\$900	\$1,302	\$75	\$153	\$183	\$176	20.0%	26.9%	25.5%	15.6%
26	\$387	\$587	\$740	\$1,160	\$464	\$743	\$927	\$1,343	\$77	\$156	\$187	\$183	19.9%	26.6%	25.3%	15.8%
27	\$393	\$597	\$751	\$1,177	\$471	\$750	\$941	\$1,364	\$78	\$153	\$190	\$187	19.8%	25.6%	25.3%	15.9%
28	\$399	\$603	\$763	\$1,195	\$478	\$763	\$954	\$1,384	\$79	\$160	\$191	\$189	19.8%	26.5%	25.0%	15.8%
29	\$409	\$620	\$786	\$1,229	\$491	\$784	\$982	\$1,425	\$82	\$164	\$196	\$196	20.0%	26.5%	24.9%	15.9%
30	\$415	\$632	\$796	\$1,246	\$498	\$797	\$995	\$1,446	\$83	\$165	\$199	\$200	20.0%	26.1%	25.0%	16.1%
31	\$427	\$649	\$820	\$1,280	\$512	\$818	\$1,023	\$1,487	\$85	\$169	\$203	\$207	19.9%	26.0%	24.8%	16.2%
32	\$432	\$655	\$826	\$1,297	\$519	\$831	\$1,036	\$1,500	\$87	\$176	\$210	\$203	20.1%	26.9%	25.4%	15.7%
33	\$444	\$673	\$849	\$1,331	\$532	\$852	\$1,063	\$1,541	\$88	\$179	\$214	\$210	19.8%	26.6%	25.2%	15.8%
34	\$449	\$683	\$860	\$1,348	\$539	\$859	\$1,077	\$1,562	\$90	\$176	\$217	\$214	20.0%	25.8%	25.2%	15.9%
35	\$461	\$701	\$883	\$1,383	\$552	\$886	\$1,104	\$1,603	\$91	\$185	\$221	\$220	19.7%	26.4%	25.0%	15.9%
36	\$466	\$706	\$894	\$1,399	\$559	\$893	\$1,118	\$1,623	\$93	\$187	\$224	\$224	20.0%	26.5%	25.1%	16.0%
37	\$478	\$724	\$917	\$1,434	\$572	\$913	\$1,145	\$1,663	\$94	\$189	\$228	\$229	19.7%	26.1%	24.9%	16.0%
38	\$490	\$741	\$935	\$1,468	\$586	\$941	\$1,173	\$1,697	\$96	\$200	\$238	\$229	19.6%	27.0%	25.5%	15.6%
39	\$495	\$752	\$946	\$1,485	\$593	\$947	\$1,186	\$1,718	\$98	\$195	\$240	\$233	19.8%	25.9%	25.4%	15.7%
40	\$506	\$769	\$970	\$1,519	\$606	\$968	\$1,214	\$1,758	\$100	\$199	\$244	\$239	19.8%	25.9%	25.2%	15.7%
41	\$529	\$804	\$1,015	\$1,587	\$634	\$1,016	\$1,268	\$1,840	\$105	\$212	\$253	\$253	19.8%	26.4%	24.9%	15.9%
42	\$557	\$845	\$1,066	\$1,673	\$668	\$1,070	\$1,336	\$1,936	\$111	\$225	\$270	\$263	19.9%	26.6%	25.3%	15.7%
43	\$581	\$879	\$1,112	\$1,741	\$695	\$1,111	\$1,391	\$2,018	\$114	\$232	\$279	\$277	19.6%	26.4%	25.1%	15.9%
44	\$609	\$924	\$1,164	\$1,826	\$729	\$1,166	\$1,459	\$2,113	\$120	\$242	\$295	\$287	19.7%	26.2%	25.3%	15.7%
45	\$637	\$965	\$1,221	\$1,911	\$763	\$1,220	\$1,527	\$2,216	\$126	\$255	\$306	\$305	19.8%	26.4%	25.1%	16.0%
46	\$666	\$1,010	\$1,274	\$1,997	\$797	\$1,275	\$1,596	\$2,311	\$131	\$265	\$322	\$314	19.7%	26.2%	25.3%	15.7%
47	\$694	\$1,051	\$1,331	\$2,082	\$831	\$1,330	\$1,663	\$2,414	\$137	\$279	\$332	\$332	19.7%	26.5%	24.9%	15.9%
48	\$729	\$1,103	\$1,394	\$2,185	\$872	\$1,398	\$1,745	\$2,530	\$143	\$295	\$351	\$345	19.6%	26.7%	25.2%	15.8%
49	\$762	\$1,155	\$1,462	\$2,287	\$913	\$1,459	\$1,827	\$2,652	\$151	\$304	\$365	\$365	19.8%	26.3%	25.0%	16.0%
50	\$796	\$1,207	\$1,525	\$2,389	\$954	\$1,527	\$1,909	\$2,767	\$158	\$320	\$384	\$378	19.8%	26.5%	25.2%	15.8%
51	\$830	\$1,259	\$1,589	\$2,491	\$995	\$1,596	\$1,990	\$2,883	\$165	\$337	\$401	\$392	19.9%	26.8%	25.2%	15.7%
52	\$871	\$1,321	\$1,668	\$2,611	\$1,043	\$1,670	\$2,086	\$3,027	\$172	\$349	\$418	\$416	19.7%	26.4%	25.1%	15.9%
53	\$910	\$1,379	\$1,743	\$2,730	\$1,091	\$1,745	\$2,182	\$3,163	\$181	\$366	\$439	\$433	19.9%	26.5%	25.2%	15.9%
54	\$950	\$1,442	\$1,818	\$2,850	\$1,139	\$1,820	\$2,277	\$3,300	\$189	\$378	\$459	\$450	19.9%	26.2%	25.2%	15.8%
55	\$996	\$1,511	\$1,909	\$2,987	\$1,193	\$1,909	\$2,386	\$3,463	\$197	\$398	\$477	\$476	19.8%	26.3%	25.0%	15.9%
56	\$1,041	\$1,580	\$1,995	\$3,123	\$1,248	\$1,997	\$2,495	\$3,620	\$207	\$417	\$500	\$497	19.9%	26.4%	25.1%	15.9%
57	\$1,092	\$1,655	\$2,093	\$3,277	\$1,309	\$2,093	\$2,618	\$3,797	\$217	\$438	\$525	\$520	19.9%	26.5%	25.1%	15.9%
58	\$1,138	\$1,724	\$2,179	\$3,413	\$1,364	\$2,182	\$2,726	\$3,954	\$226	\$458	\$547	\$541	19.9%	26.6%	25.1%	15.9%
59	\$1,195	\$1,810	\$2,288	\$3,584	\$1,432	\$2,291	\$2,863	\$4,152	\$237	\$481	\$575	\$568	19.8%	26.6%	25.1%	15.8%
60	\$1,246	\$1,890	\$2,385	\$3,737	\$1,493	\$2,386	\$2,986	\$4,329	\$247	\$496	\$601	\$592	19.8%	26.2%	25.2%	15.8%
61	\$1,302	\$1,976	\$2,495	\$3,908	\$1,562	\$2,495	\$3,122	\$4,527	\$260	\$519	\$627	\$619	20.0%	26.3%	25.1%	15.8%
62	\$1,365	\$2,069	\$2,615	\$4,095	\$1,636	\$2,618	\$3,272	\$4,745	\$271	\$549	\$657	\$650	19.9%	26.5%	25.1%	15.9%
63	\$1,428	\$2,167	\$2,735	\$4,283	\$1,711	\$2,740	\$3,422	\$4,963	\$283	\$573	\$687	\$680	19.8%	26.4%	25.1%	15.9%
64	\$1,490	\$2,258	\$2,856	\$4,471	\$1,786	\$2,856	\$3,573	\$5,181	\$296	\$598	\$717	\$710	19.9%	26.5%	25.1%	15.9%
65	\$1,559	\$2,361	\$2,987	\$4,676	\$1,868	\$2,986	\$3,736	\$5,420	\$309	\$625	\$749	\$744	19.8%	26.5%	25.1%	15.9%
65+	\$1,632	\$2,477	\$3,126	\$4,897	\$1,956	\$3,129	\$3,913	\$5,672	\$324	\$652	\$787	\$775	19.9%	26.3%	25.2%	15.8%

**GHMSI dba
CareFirst BlueCross BlueShield**

**INDIVIDUAL, NON-MEDIGAP BLUEPREFERRED
District of Columbia
PPO/BluePreferred Group Conversion**

PROPOSED MEDICAL RATES

EFFECTIVE 4/1/08

**GHMSI dba
CareFirst BlueCross BlueShield**

INDIVIDUAL, NON-MEDIGAP BUSINESS - PPO/BLEUPREFERRED - GROUP CONVERSION
FORM NOS. DC/DP-IEA-9/95, PPP-A/DC-4/96, D-CMM/MM ATTB/DB-4/96, DC/CF/DB/ELIG CONV (R.2/06)

MONTHLY PREMIUM RATES EFFECTIVE 1/1/2007

DEDUCTIBLE	\$750	\$1,500
COINSURANCE	80% / 20%	60% / 40%
OUT-OF-POCKET MAXIMUM	\$3,500	\$7,000

	<u>Individual</u>	<u>Ind & Child(ren)</u>	<u>Ind & Adult</u>	<u>Family</u>	* - Pharmacy Prescriptions covered by
1-5	\$268	-	-	-	
6-17	\$239	\$384	\$478	\$693	
18-20	\$349	\$559	\$699	\$1,013	
21	\$355	\$571	\$710	\$1,031	Prescription Drug Card Rider (not optional), priced separately.
22	\$361	\$577	\$722	\$1,048	
23	\$373	\$594	\$745	\$1,083	
24	\$379	\$606	\$757	\$1,101	
25	\$384	\$617	\$769	\$1,112	
26	\$396	\$635	\$792	\$1,147	
27	\$402	\$641	\$804	\$1,165	
28	\$408	\$652	\$815	\$1,182	
29	\$419	\$670	\$839	\$1,217	
30	\$425	\$681	\$850	\$1,235	
31	\$437	\$699	\$874	\$1,270	
32	\$443	\$710	\$885	\$1,281	
33	\$454	\$728	\$908	\$1,316	
34	\$460	\$734	\$920	\$1,334	
35	\$472	\$757	\$943	\$1,369	
36	\$478	\$763	\$955	\$1,386	
37	\$489	\$780	\$978	\$1,421	
38	\$501	\$804	\$1,002	\$1,450	
39	\$507	\$809	\$1,013	\$1,468	
40	\$518	\$827	\$1,037	\$1,502	
41	\$542	\$868	\$1,083	\$1,572	
42	\$571	\$914	\$1,141	\$1,654	
43	\$594	\$949	\$1,188	\$1,724	
44	\$623	\$996	\$1,246	\$1,805	
45	\$652	\$1,042	\$1,304	\$1,893	
46	\$681	\$1,089	\$1,363	\$1,974	
47	\$710	\$1,136	\$1,421	\$2,062	
48	\$745	\$1,194	\$1,491	\$2,161	
49	\$780	\$1,246	\$1,561	\$2,265	
50	\$815	\$1,304	\$1,631	\$2,364	
51	\$850	\$1,363	\$1,700	\$2,463	
52	\$891	\$1,427	\$1,782	\$2,586	
53	\$932	\$1,491	\$1,864	\$2,702	
54	\$973	\$1,555	\$1,945	\$2,819	
55	\$1,019	\$1,631	\$2,038	\$2,958	
56	\$1,066	\$1,706	\$2,131	\$3,092	
57	\$1,118	\$1,788	\$2,236	\$3,244	
58	\$1,165	\$1,864	\$2,329	\$3,378	
59	\$1,223	\$1,957	\$2,446	\$3,547	
60	\$1,275	\$2,038	\$2,551	\$3,698	
61	\$1,334	\$2,131	\$2,667	\$3,867	
62	\$1,398	\$2,236	\$2,795	\$4,053	
63	\$1,462	\$2,341	\$2,923	\$4,240	
64	\$1,526	\$2,440	\$3,052	\$4,426	
65	\$1,596	\$2,551	\$3,191	\$4,630	
>65	\$1,671	\$2,673	\$3,343	\$4,845	

Composite Rate: \$582.35

FACETS Code: P402

**INDIVIDUAL, NON-MEDIGAP
District of Columbia
PPO/BluePreferred Group Conversion**

RX RATE FILING SUMMARY

Effective 04/01/08

CareFirst BlueCross BlueShield
GHMSI: Individual, Non-Medigap Business
JURISDICTION: DISTRICT OF COLUMBIA
Experience Incurred Through 5/31/07, Paid Through 7/31/07

Exhibit 1

Pricing Analysis

Drug Coverage Only

Experience Period:
Start 6/1/2006
Incurred thru 5/31/2007
Paid thru 7/31/2007
Midpt 11/30/2006

Projection Period:
Start 4/1/2008
Thru 3/31/2009
Midpt 9/30/2008
Trend Mos 28.0

Target Loss Ratio = 79.7%

		Contracts	Distribution	Incurred Claims	Income	Loss Ratio	Trend Assumption	Trend Factor 28.0 mos.	Projected Claims	Required Income	Income Adjustment Factor	Income Jan-07 Renewal Level	Loss Ratio w/o a Rate Increase: ESI at Jan-05 Renewal Level	Needed Rate Increase for Apr-08 vs Jan-07	Proposed Rate Increase Effective Apr-08	Proposed vs Needed Differential
<u>Drug Experience</u>		7/31/2007														
PPO (BluePreferred)																
Group Conversion	Open	103	52.3%	\$105,516	\$162,395	65.0%	15.0%	1.3856	\$146,200	\$183,506	1.0000	\$162,395	90.0%	13.0%	13.0%	\$0
	Closed	94	47.7%	\$119,554	\$251,487	47.5%	15.0%	1.3856	\$165,650	\$207,920	1.0000	\$251,487	65.9%	-17.3%	0.0%	\$43,567
Total		197	100.0%	\$225,070	\$413,882	54.4%	15.0%	1.3856	\$311,851	\$391,426	1.0000	\$413,882	75.3%	-5.4%	5.1%	\$43,567
RX Rebates			8.94%	Total Rx Rebate (already applied in Inc Clms):			\$22,101									

**GHMSI dba
CAREFIRST BLUECROSS BLUESHIELD**

INDIVIDUAL, NON-MEDIGAP BUSINESS

FORM NUMBERS: DC/NCA/RX-DRUG 7/97, DC/NCD/RX-DRUG /SOB 7/97

**PPO / BluePreferred Group Conversion
DISTRICT OF COLUMBIA**

Prescription Drug Rate Increase History

EXHIBIT 2

Effective	BASE MONTHLY Individual Rate	Rate Increase (%)	Rate Increase (\$)
01/01/99 (Inception)	\$36.00		
01/01/01	\$58.32	20.0%	\$22.32
01/01/2002	\$78.73	35.0%	\$20.41
01/01/2003	\$78.73	0.0%	\$0.00
01/01/2004	\$78.73	0.0%	\$0.00
01/01/2005	\$106.29	35.0%	\$27.56
Proposed 04/01/2008	\$106.29	0.0%	\$0.00

		<u>Deductible</u>	<u>Annual per Member Benefit Max</u>	<u>Coinsurance After Max</u>	<u>Copays Generic/ Brand Name</u>	<u>Days Supply</u>
BENEFIT	Retail	\$100	\$1,500	0%	\$10/\$20	34
DESCRIPTION	Mail	\$100	\$1,500	0%	\$20/\$40	90

**GHMSI dba
CAREFIRST BLUECROSS BLUESHIELD**

INDIVIDUAL, NON-MEDIGAP BUSINESS

Form Numbers: DC/CF/IND RX3 (1/03)

**PPO / BluePreferred Group Conversion
DISTRICT OF COLUMBIA**

Prescription Drug Rate Increase History

EXHIBIT 2

Effective	BASE MONTHLY Individual Rate	Rate Increase (%)	Rate Increase (\$)	Compared to \$10/\$20
1/1/2003	\$65.14			-17.3%
1/1/2004	\$65.14	0.0%	\$0.00	-17.3%
1/1/2005	\$87.94	35.0%	\$22.80	-17.3%
Proposed 4/1/2008	\$99.37	13.0%	\$11.43	-6.5%

		Annual		Copays		Days Supply
		Deductible	per Member Benefit Max	Coinsurance After Max	Generic/ Formulary Brand / Nonformulary	
BENEFIT	Retail	\$100	\$1,500	0%	\$10/\$25/\$45	30
DESCRIPTION	Mail	\$100	\$1,500	0%	\$20/\$50/\$90	90

GHMSI dba
CareFirst BlueCross BlueShield
Experience Through May 31, 2007, Paid Through July 31, 2007

Rx Experience Data

BCBSNCA - DC - BluePreferred - GC

<u>Yr-Mo</u>	<u>Contracts</u>	<u>Members</u>	<u>Rx Income</u>	<u>Rx Incurred & Pd Claims</u>	<u>Rx Incurred Claims</u>	<u>R12 Loss Ratio</u>	<u>R12 Claims PMPM</u>	<u>R12 CLAIMS TREND</u>	<u>R3 CLAIMS PMPM</u>	<u>R3 CLAIMS TREND</u>	<u>R6 CLAIMS PMPM</u>	<u>R6 CLAIMS TREND</u>	<u>R12 PREMIUM PMPM</u>	<u>R12 PREMIUM CHANGE</u>
0501	383	482	\$42,229	\$24,315	\$24,315	59.6%	\$51.80	4.8%	\$44.91	6.9%	\$41.90	2.5%	\$86.86	-3.0%
0502	412	525	\$46,250	\$29,650	\$29,650	58.2%	\$50.67	-0.1%	\$52.35	-2.8%	\$44.21	-2.4%	\$87.09	-2.2%
0503	360	425	\$39,381	\$31,919	\$31,919	57.5%	\$50.20	-2.7%	\$59.98	-12.3%	\$50.64	-2.7%	\$87.24	-2.0%
0504	404	518	\$48,311	\$26,794	\$26,794	56.4%	\$49.59	-2.5%	\$60.19	-11.6%	\$52.74	-3.9%	\$87.86	-0.7%
0505	355	453	\$44,251	\$29,775	\$29,775	55.7%	\$49.57	-4.2%	\$63.39	-4.8%	\$57.84	-3.7%	\$88.94	1.5%
0506	368	445	\$45,623	\$29,292	\$29,292	56.2%	\$50.50	-0.9%	\$60.64	2.7%	\$60.30	-5.5%	\$89.86	3.0%
0507	377	470	\$47,137	\$18,928	\$18,928	55.2%	\$50.16	-1.5%	\$57.01	4.8%	\$58.66	-4.6%	\$90.92	3.9%
0508	323	393	\$39,867	\$17,065	\$17,065	54.6%	\$50.25	-1.5%	\$49.91	5.8%	\$56.87	-0.6%	\$92.02	5.2%
0509	344	409	\$44,660	\$19,742	\$19,742	55.1%	\$51.63	1.4%	\$43.82	8.0%	\$52.68	5.9%	\$93.78	7.2%
0510	349	420	\$45,827	\$16,806	\$16,806	54.1%	\$51.82	2.0%	\$43.87	12.1%	\$50.81	9.2%	\$95.88	10.2%
0511	329	419	\$46,553	\$16,647	\$16,647	53.4%	\$52.36	2.5%	\$42.62	15.8%	\$46.35	11.1%	\$98.14	13.1%
0512	329	409	\$46,335	\$15,445	\$15,445	51.5%	\$51.49	-2.0%	\$39.18	-5.2%	\$41.52	1.4%	\$99.93	15.0%
0601	323	403	\$45,861	\$28,375	\$28,375	51.9%	\$53.02	2.4%	\$49.12	9.4%	\$46.51	11.0%	\$102.11	17.5%
0602	272	330	\$37,687	\$30,864	\$30,864	53.0%	\$55.29	9.1%	\$65.40	24.9%	\$53.51	21.0%	\$104.34	19.8%
0603	290	365	\$39,419	\$34,493	\$34,493	53.5%	\$56.46	12.5%	\$85.37	42.3%	\$60.80	20.1%	\$105.59	21.0%
0604	287	360	\$40,275	\$30,976	\$30,976	55.1%	\$59.15	19.3%	\$91.31	51.7%	\$68.59	30.1%	\$107.36	22.2%
0605	306	380	\$41,679	\$23,750	\$23,750	54.2%	\$58.79	18.6%	\$80.74	27.4%	\$72.94	26.1%	\$108.46	21.9%
0606	278	341	\$37,846	\$20,904	\$20,904	53.4%	\$58.31	15.5%	\$69.96	15.4%	\$77.73	28.9%	\$109.20	21.5%
0607	265	319	\$35,950	\$27,652	\$27,652	56.3%	\$62.16	23.9%	\$69.53	21.9%	\$80.50	37.2%	\$110.37	21.4%
0608	264	325	\$35,618	\$28,672	\$28,672	59.1%	\$65.70	30.7%	\$78.40	57.1%	\$79.64	40.0%	\$111.10	20.7%
0609	255	307	\$35,508	\$19,063	\$19,063	60.1%	\$67.07	29.9%	\$79.27	80.9%	\$74.32	41.1%	\$111.59	19.0%
0610	239	302	\$34,667	\$10,274	\$10,274	60.1%	\$67.40	30.1%	\$62.11	41.6%	\$66.02	29.9%	\$112.07	16.9%
0611	216	275	\$33,440	\$9,998	\$9,998	60.4%	\$68.14	30.1%	\$44.50	4.4%	\$62.37	34.5%	\$112.80	14.9%
0612	239	298	\$33,884	\$8,851	\$8,851	60.6%	\$68.38	32.8%	\$33.28	-15.1%	\$57.23	37.8%	\$112.82	12.9%
0701	281	337	\$36,881	\$28,614	\$28,614	61.9%	\$69.59	31.2%	\$52.16	6.2%	\$57.20	23.0%	\$112.43	10.1%
0702	226	277	\$32,198	\$23,168	\$23,168	60.9%	\$68.56	24.0%	\$66.48	1.7%	\$55.66	4.0%	\$112.55	7.9%
0703	219	267	\$31,180	\$27,417	\$27,417	60.4%	\$68.46	21.3%	\$89.90	5.3%	\$61.69	1.5%	\$113.29	7.3%
0704	225	276	\$32,518	\$22,841	\$22,841	59.6%	\$67.82	14.7%	\$89.54	-1.9%	\$69.88	1.9%	\$113.76	6.0%
0705	251	301	\$34,191	\$19,719	\$19,719	59.7%	\$68.19	16.0%	\$82.91	2.7%	\$74.38	2.0%	\$114.17	5.3%
1998	2,458	2,695	\$56,227	\$195,393	\$195,393	347.5%								
1999	2,839	3,074	\$100,467	\$199,490	\$199,490	198.6%								
2000	2,815	3,109	\$143,319	\$145,187	\$145,187	101.3%								
2001	3,890	4,614	\$290,170	\$207,193	\$207,193	71.4%								
2002	4,099	4,940	\$422,880	\$213,600	\$213,600	50.5%								
2003	4,934	6,072	\$547,240	\$296,338	\$296,338	54.2%								
2004	4,809	5,941	\$516,300	\$312,188	\$312,188	60.5%								
2005	4,333	5,368	\$536,424	\$276,379	\$276,379	51.5%								
2006	3,234	4,005	\$451,835	\$273,872	\$273,872	60.6%								
2007 YTD	1,202	1,458	\$166,968	\$121,759	\$121,759	72.9%								

CareFirst BlueCross BlueShield
Individual, non-Medigap Business - PPO/BluePreferred - Prescription Drug Card Rider
FORM NUMBERS: DC/NCA/RX-DRUG 7/97, DC/NCD/RX-DRUG /SOB 7/97
District of Columbia
GROUP CONVERSION COVERAGE (closed)
MONTHLY PREMIUM RATES EFFECTIVE 4/1/2008

Deductible	=	\$100
RETAIL: 34 Day Supply, Copay	=	\$10 Generic, \$20 Brand Name
MAIL ORDER: 90 Day Supply, Copay	=	\$20 Generic, \$40 Brand Name
Annual Benefits Maximum	=	\$1,500 (0% coinsurance thereafter)
Average Individual Premium	=	\$106.29

	<u>Individual</u>	<u>Individual & Child(ren)</u>	<u>Individual & Adult</u>	<u>Family</u>
< 21	\$64	\$102	\$128	\$185
21	\$65	\$104	\$130	\$188
22	\$66	\$105	\$132	\$191
23	\$68	\$108	\$136	\$198
24	\$69	\$111	\$138	\$201
25	\$70	\$113	\$140	\$203
26	\$72	\$116	\$145	\$209
27	\$73	\$117	\$147	\$213
28	\$74	\$119	\$149	\$216
29	\$77	\$122	\$153	\$222
30	\$78	\$124	\$155	\$225
31	\$80	\$128	\$159	\$232
32	\$81	\$130	\$162	\$234
33	\$83	\$133	\$166	\$240
34	\$84	\$134	\$168	\$243
35	\$86	\$138	\$172	\$250
36	\$87	\$139	\$174	\$253
37	\$89	\$142	\$179	\$259
38	\$91	\$147	\$183	\$265
39	\$92	\$148	\$185	\$268
40	\$95	\$151	\$189	\$274
41	\$99	\$158	\$198	\$287
42	\$104	\$167	\$208	\$302
43	\$108	\$173	\$217	\$315
44	\$114	\$182	\$227	\$329
45	\$119	\$190	\$238	\$345
46	\$124	\$199	\$249	\$360
47	\$130	\$207	\$259	\$376
48	\$136	\$218	\$272	\$394
49	\$142	\$227	\$285	\$413
50	\$149	\$238	\$298	\$432
51	\$155	\$249	\$310	\$450
52	\$163	\$260	\$325	\$472
53	\$170	\$272	\$340	\$493
54	\$178	\$284	\$355	\$514
55	\$186	\$298	\$372	\$540
56	\$195	\$311	\$389	\$564
57	\$204	\$326	\$408	\$592
58	\$213	\$340	\$425	\$616
59	\$223	\$357	\$446	\$647
60	\$233	\$372	\$466	\$675
61	\$243	\$389	\$487	\$706
62	\$255	\$408	\$510	\$740
63	\$267	\$427	\$534	\$774
64	\$278	\$445	\$557	\$808
65	\$291	\$466	\$582	\$845
>65	\$305	\$488	\$610	\$884

FACETS Code: RY05

CareFirst BlueCross BlueShield
Individual, non-Medigap Business - PPO/BluePreferred - Prescription Drug Card Rider
Form Numbers: DC/CF/IND RX3 (1/03)
District of Columbia
GROUP CONVERSION COVERAGE (open)
MONTHLY PREMIUM RATES EFFECTIVE 4/1/2008

Deductible	=	\$100
RETAIL: 30 Day Supply, Copay	=	\$10 Generic, \$25 Formulary Brand, \$45 Nonformulary
MAIL ORDER: 90 Day Supply, Copay	=	\$20 Generic, \$50 Formulary Brand, \$90 Nonformulary
Annual Benefits Maximum	=	\$1,500 (0% coinsurance thereafter)

Average Individual Premium = **\$99.37**

	<u>Individual</u>	<u>Individual & Child(ren)</u>	<u>Individual & Adult</u>	<u>Family</u>
1-5	\$46			
6-17	\$41	\$66	\$81	\$118
18-20	\$60	\$95	\$119	\$173
21	\$61	\$97	\$121	\$176
22	\$62	\$98	\$123	\$179
23	\$64	\$101	\$127	\$185
24	\$65	\$103	\$129	\$188
25	\$66	\$105	\$131	\$190
26	\$68	\$108	\$135	\$196
27	\$69	\$109	\$137	\$199
28	\$70	\$111	\$139	\$202
29	\$72	\$114	\$143	\$208
30	\$73	\$116	\$145	\$211
31	\$75	\$119	\$149	\$217
32	\$76	\$121	\$151	\$219
33	\$78	\$124	\$155	\$225
34	\$79	\$125	\$157	\$228
35	\$80	\$129	\$161	\$234
36	\$81	\$130	\$163	\$237
37	\$83	\$133	\$167	\$242
38	\$85	\$137	\$171	\$247
39	\$86	\$138	\$173	\$250
40	\$88	\$141	\$177	\$256
41	\$92	\$148	\$185	\$268
42	\$97	\$156	\$195	\$282
43	\$101	\$162	\$203	\$294
44	\$106	\$170	\$213	\$308
45	\$111	\$178	\$223	\$323
46	\$116	\$186	\$233	\$337
47	\$121	\$194	\$242	\$352
48	\$127	\$204	\$254	\$369
49	\$133	\$213	\$266	\$387
50	\$139	\$223	\$278	\$403
51	\$145	\$233	\$290	\$420
52	\$152	\$243	\$304	\$441
53	\$159	\$254	\$318	\$461
54	\$166	\$265	\$332	\$481
55	\$174	\$278	\$348	\$505
56	\$182	\$291	\$364	\$528
57	\$191	\$305	\$382	\$553
58	\$199	\$318	\$397	\$576
59	\$209	\$334	\$417	\$605
60	\$218	\$348	\$435	\$631
61	\$228	\$364	\$455	\$660
62	\$238	\$382	\$477	\$692
63	\$249	\$399	\$499	\$723
64	\$260	\$416	\$521	\$755
65	\$272	\$435	\$545	\$790
>65	\$285	\$456	\$570	\$827

FACETS Code: RY08

SERFF Tracking Number: CFAP-125359653 State: District of Columbia
Filing Company: Group Hospitalization and Medical Services, Inc.State Tracking Number:
Company Tracking Number: 0995
TOI: H06 Health - Conversion Sub-TOI: H06.000 Health - Conversion
Product Name: GHMSI Filing #995 DC PPO Group Conversion
Project Name/Number: DC PPO GC 200804 eff/995

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Actuarial Justification Comments: Attachment: DC_GHMSI_Certification.pdf	APPROVED	12/18/2007

	Item Status:	Status Date:
Satisfied - Item: Cover Letter / Filing Description Comments: Attachment: Cover Letter PPO GC.pdf	APPROVED	12/18/2007

ACTUARIAL CERTIFICATION

I, Todd Switzer, am the Director of Actuarial Pricing with Group Hospitalization and Medical Services, Inc (GHMSI) doing business as CareFirst BlueCross BlueShield and a member of the American Academy of Actuaries. I have been involved in the development of these rates.

To the best of my knowledge and judgment, this rate filing complies with applicable laws and regulations of the District of Columbia and produces premiums that are reasonable in relation to benefits provided.



Todd Switzer, A.S.A., M.A.A.A.
Director of Actuarial Pricing
CareFirst BlueCross BlueShield
NAIC Number 53007
Finance Division
Mail Drop Point 01-780
10455 Mill Run Circle
Owings Mills, MD 21117-4208

November 16, 2007



Mr. Laszlo Pentek
Actuary
Government of the District of Columbia
Department of Insurance, Securities and Banking
Insurance Products Division
810 First Street, NE, Suite 701
Washington, DC 20002-8023

Re: Group Hospitalization and Medical Services, Inc.
CareFirst BlueCross BlueShield
NAIC# 53007, FEIN# 53-0078070
Individual, non-Medigap Business
PPO/BluePreferred, Group Conversion
Medical and Prescription Drug Coverage
Filing # 995 (Previous Approved Filing Number: #702)

Dear Mr. Pentek:

Attached for your review is the actuarial memorandum for Group Hospitalization and Medical Services, Inc dba CareFirst BlueCross BlueShield's (NAIC # 53007) individual, non-Medigap, PPO Group Conversion coverage for an April 1, 2008 effective date. CareFirst BlueCross BlueShield (CFBCBS) is proposing a 21.1% rate increase to the medical product and a 13.0% rate increase to the open drug product. CFBCBS is not proposing a change to the closed Rx rates at this time. Below is a summary of the pricing analysis pages for both the medical and prescription drug coverage (pages 3 and 14 of the actuarial memorandum):

	Contracts a/o 7/31/07	LR	Needed Rate Increase	Proposed Rate Increase
Medical	197	78.6%	23.2%	21.1%
Open Rx	103	65.0%	13.0%	13.0%
Closed Rx	94	47.5%	-17.3%	0.0%
Med & Rx Combined	197	74.5%	18.4%	18.4%

As shown above, since the overall proposed rate increase is the same as the needed rate increase, so subsidization is not needed for this filing. When necessary, this product is subsidized by Small and Large Groups' subsidization fund. Please refer to page 6 in the actuarial memorandum for details.

CFBCBS is also proposing the following changes to Medical tier factors: Individual & Child(ren) from 1.5 to 1.6, Individual & Adult from 1.9 to 2.0, and Family from 3.0 to 2.9. The Rx Family tier factor will also change from 3.0 to 2.9. CFBCBS will not adjust the base rates for revenue neutrality, and will instead absorb the resulting loss of revenue. An analysis of the tier factor change can be found on page 5 of the actuarial memorandum.

The form numbers affected by this memorandum are as follows:

DC/DP-IEA 9/95

PPP-A/DC- 4/96

D-CMM/MM ATTB/DB-4/96

DC/CF/DB/ELIG CONV (R.2/06)

DC/NCA/RX-DRUG 7/97

DC/NCA/RX-DRUG /SOB 7/97

DC/CF/IND RX3 (1/03)

We appreciate your consideration of this matter. If you have questions regarding this memorandum, please contact me at (410) 998-5716 or Mr. Todd Switzer, Director of Actuarial Pricing, at (410) 998-7107.

Sincerely,

Katheryn Black
Actuarial Analyst
Actuarial Pricing Department